

## Article - State Government

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§9-1E-07.

(a) An applicant for a license under this subtitle shall submit to the Commission:

- (1) an application in the form that the Commission requires; and
- (2) if the applicant is applying for a sports wagering license, an affidavit attesting to:
  - (i) the number of minority and women owners of the applicant;
  - (ii) the ownership interest of any minority and women owners of the applicant;
  - (iii) the number of minority and women employees of the applicant;
  - (iv) the number of current contracts the applicant has with minority- and women-owned subcontractors; and
  - (v) any other information considered necessary by the Commission or the Sports Wagering Application Review Commission established under § 9-1E-15 of this subtitle.

(b) (1) The findings and evidence relied on by the General Assembly for the continuation of the Minority Business Enterprise Program under Title 14, Subtitle 3 of the State Finance and Procurement Article are incorporated in this subsection.

(2) To the extent practicable and authorized by the United States Constitution, a sports wagering licensee shall comply with the State's Minority Business Enterprise Program.

(3) (i) On or before 6 months after the issuance of a sports wagering license under this subtitle, the Governor's Office of Small, Minority, and Women Business Affairs, in consultation with the Office of the Attorney General and the sports wagering licensee, shall establish a clear plan for setting reasonable and appropriate minority business enterprise participation goals and procedures for the

procurement of goods and services related to sports wagering, including procurement of construction, equipment, and ongoing services.

(ii) To the extent practicable, the goals and procedures specified in subparagraph (i) of this paragraph shall be based on the requirements of Title 14, Subtitle 3 of the State Finance and Procurement Article and the regulations implementing that subtitle.

(4) On or after July 1, 2024, the provisions of this subsection and any regulations adopted under this subsection shall be of no effect and may not be enforced.

(c) (1) This subsection does not apply to the application or license renewal fees for a sports wagering license required under § 9-1E-06 of this subtitle.

(2) (i) Subject to subparagraph (ii) of this paragraph, the Commission shall adopt regulations that establish an application fee and license renewal fee for a license under this subtitle.

(ii) The application fee for an online sports wagering operator license may not be less than \$5,000.

(3) An applicant shall submit the application fee with the application.

(4) The term of the license is 5 years.

(d) On a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the application fees and license renewal fees collected by the Commission under this section and § 9-1E-06 of this subtitle:

(1) an amount to the State Lottery and Gaming Control Agency necessary to reimburse the Agency for expenses related to the issuance and renewal of sports wagering licenses;

(2) 5% of the fees collected for each Class A-1 and A-2 sports wagering facility license to the Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistance Fund established under § 9-1E-16 of this subtitle; and

(3) the remainder to the Blueprint for Maryland's Future Fund established under § 5-206 of the Education Article.

(e) (1) Applicants and licensees shall have the affirmative responsibility to establish by clear and convincing evidence the applicant's or licensee's qualifications.

(2) Applicants and licensees shall provide information required by this subtitle and satisfy requests for information relating to qualifications in the form specified by the Commission, if applicable.

(3) (i) Applicants and licensees shall:

1. provide assistance or information required by the Commission; and

2. cooperate in an inquiry, an investigation, or a hearing conducted by the Commission.

(ii) On issuance of a formal request to answer or produce information, evidence, or testimony, if an applicant or a licensee refuses to comply, the application or license may be denied, suspended, or revoked by the Commission.

(4) (i) If the applicant is an individual, the applicant shall be photographed and fingerprinted for identification and investigation purposes.

(ii) If the applicant is not an individual, the Commission by regulation may establish the categories of individuals who shall be photographed and fingerprinted for identification and investigation purposes.

(5) (i) Applicants and licensees shall inform the Commission of an act or omission that the person knows or should know constitutes a violation of this subtitle or the regulations adopted under this subtitle.

(ii) Applicants and licensees may not discriminate against a person who in good faith informs the Commission of an act or omission that the person believes constitutes a violation of this subtitle or the regulations adopted under this subtitle.

(6) Applicants and licensees shall produce information, documentation, and assurances to establish the following qualification criteria by clear and convincing evidence:

(i) the financial stability, integrity, and responsibility of the applicant or licensee;

(ii) the integrity of any financial backers, investors, mortgagees, bondholders, and holders of other evidences of indebtedness that bear a relation to the application;

(iii) the applicant's or licensee's good character, honesty, and integrity;

(iv) sufficient business ability and experience of the applicant or licensee; and

(v) that:

1. unless the applicant or licensee already has a collective bargaining agreement, the applicant or licensee has entered into a labor peace agreement with each labor organization that is actively engaged in representing or attempting to represent sports wagering industry workers in the State;

2. the labor peace agreement is valid and enforceable under 29 U.S.C. § 158;

3. the labor peace agreement protects the State's revenues by prohibiting the labor organization and its members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the operation of sports wagering within the first 5 years of the effective date of a sports wagering license; and

4. the labor peace agreement applies to all operations conducted by the applicant or licensee at a facility or location where sports wagering is conducted.

(f) (1) On the filing of an application for any license required under this subtitle and any supplemental information required by the Commission, the Commission shall conduct a background investigation on the qualifications of the applicant and any person who is required to be qualified under this subtitle as a condition of a license.

(2) The Commission may refer an application for a license to an approved vendor under § 9-1A-20 of this title to conduct the background investigation for the Commission.

(g) (1) After receiving the results of the background investigation, the Commission may either grant a license to an applicant whom the Commission

determines to be qualified or deny the license to an applicant whom the Commission determines to be not qualified or disqualified.

(2) If an application for a license is denied, the Commission shall prepare and file an order denying the license with a statement of the reasons for the denial, including the specific findings of fact.

(h) (1) An individual may not knowingly give false information or make a material misstatement in an application required for any license under this subtitle or in any supplemental information required by the Commission.

(2) An individual who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 3 years or a fine not exceeding \$5,000 or both.

(i) (1) The holder of a Class B–1 or B–2 sports wagering facility license or a mobile sports wagering license may only sell or transfer ownership of the license if the licensee was actively engaged in operating sports wagering in the State for at least 3 years immediately preceding the sale or transfer of the ownership of the license.

(2) Nothing in paragraph (1) of this subsection may be construed to limit the ability of the Commission to enforce this subtitle.

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